



April 2, 2023

**SUMMARY OF BILL AS AMENDED (006852):** Adds Xylazine to the list of Schedule III controlled substances.

**FISCAL IMPACT OF BILL AS AMENDED:**

**Increase State Expenditures – \$76,100 Incarceration**

Assumptions for the bill as amended:

- Based on information located on the Drug Enforcement Agency's website, xylazine is most frequently encountered in combination with two or more substances present, and is commonly encountered in combination with fentanyl. There has been a significant increase in the number of reports from state and local forensic laboratories of xylazine from 2017 to 2021, as follows:
  - 2017: 442
  - 2018: 659
  - 2019: 1,681
  - 2020: 3,425
  - 2021: 8,938
- Pursuant to Tenn. Code Ann. § 39-17-417(d), manufacturing, delivering, selling, or possessing a Schedule III controlled substance is a Class D felony with a maximum fine of \$50,000.
- Based on information provided by the Department of Correction, there have been 77.8 Class D felony admissions for offenses under § 39-17-417(d) each year over the last ten years.
- Based on Fiscal Review Committee staff's analysis, it is reasonably assumed the proposed legislation will result in 5.91 additional Class D felony admissions each year.
- After adjusting for pre-trial jail credits, the average time served for a Class D felony offense of manufacturing, delivering, selling, or possessing a Schedule III controlled substance is 0.68 years.
- Based on population data from the U.S. Census Bureau, population growth in Tennessee averaged 0.96 percent per year (from 2018 to 2021).
- The weighted average operational costs per inmate per day are estimated to be \$50.63 for inmates housed at state facilities and \$52.11 for inmates housed at local facilities.
- The estimated increase in incarceration costs is estimated to be the following over the next three-year period:

Increase in State Expenditures	
Amount	Fiscal Year
\$ 74,600	FY23-24
\$ 75,400	FY24-25
\$ 76,100	FY25-26

- Pursuant to Public Chapter 1007 of 2022, recurring costs increases are to be estimated on the highest of the next three fiscal years; therefore, the recurring increase in incarceration costs will be \$76,100.
- Based on the Fiscal Review Committee's 2008 study and the Administrative Office of the Courts' 2012 study on collection of court costs, fees, and fines, collection in criminal cases is insignificant. The proposed legislation will not significantly change state or local revenue.
- The estimated fiscal impact of the proposed legislation does not consider the availability of beds in state and local facilities, but is based solely on the current operating costs of state facilities and the reimbursement rates for local facilities as is required by Tenn. Code Ann. § 9-4-210.
- All calculations used in completion of this fiscal note are available upon request.

## **CERTIFICATION:**

The information contained herein is true and correct to the best of my knowledge.



Krista Lee Carsner, Executive Director

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